- **Reversal of claims** — All prescriptions not received by the Covered Person within fourteen (14) days of claim submission must be reversed through the electronic claim system. Claims not reversed after fourteen (14) days may be subject to audit recovery.
- **Use as Directed** — The Participating Pharmacy must determine the specific dosing directions to accurately calculate the days' supply and correctly submit the claim to Prime. The participating Pharmacy must contact the Prescriber to clarify any ambiguous directions (such as "Use as Directed," no directions documented or "As needed") and document them on the prescription hardcopy. If the Prescriber is unavailable, communication with the Covered Person is acceptable and must be documented.
- **One prescription for the entire family** — Prescriptions written for an entire family on one prescription form must be processed as separate claims for each Covered Person.

For examples of medications commonly misbilled medications, visit **Prime's Website**.

Unacceptable Billing Practices

Based on the claim submission requirements, the following are examples of unacceptable and, in some cases, fraudulent practices which may be subject to a full or partial recovery of the amount paid or other remediation, including but not limited to:

- Billing for a legend or OTC drug without a prescription or benefit-sponsored voucher.
- Submitting incorrect information on claims that may lead to inappropriate bypass of benefit exclusions, DUR messages, or other Benefit Plan edits.
- Billing for a quantity of a legend drug that is different than the quantity prescribed
- Billing for a higher priced drug when a lower priced drug was prescribed and/or dispensed
- Dispensing a generic drug but billing for the brand name drug.
- Submitting claims with an NDC other than the DNC from the package from which the product was dispensed.
- For general LTC dispensing, billing more than once per month for Federal Legend Drugs for Covered Persons in an LTC Facility where short-cycle dispensing is not allowed.
- Dispensing drugs that are solid oral dose brand-name drugs in greater than 14-day increments for short cycle dispensing.
- Overriding DUR rejects without properly resolving and documenting the resolution.
- Incorrectly billing Medicare Part A or Part B eligible drugs to a Medicare Part D
- Billing compound products in a manner inconsistent with Prime's credentialing criteria and/or the compound billing requirements described in the Compound Drugs Billing Guidelines of this Manual.
- Applying an expiration date on the prescription order that is earlier than the date the product expires according to the manufacturer
- Misrepresenting the U&C
- Billing the Covered Person for any associated recovery.
- Misrepresenting the origin code
- Billing for drugs that were never purchased by the Participating Pharmacy
- Billing for drugs associated with wholesaler invoices that the respective wholesaler denies providing to the pharmacy because the drugs were not purchased from the wholesaler.
- Billing for drugs from a wholesaler that cannot provide drug ancestry or pedigree documentation supporting the legitimate purchase record of the drug.
- Submitting a claim for a non-FDA approved drug (such as compound kits and patches).
- Billing greater vial size than what is necessary to supply the ordered dose.
- Billing high cost products when lower cost alternative products are available.

Participating Pharmacies may not solicit Covered Persons or obtain a third party to solicit Covered Persons to obtain prescription orders.

Recovery of Pharmacy Payments

Prime will collect improper payments paid to Participating Pharmacies in a manner determined by Prime. Pharmacies will be informed of payment off-sets through the standard remittance advice. Pharmacies will receive a report of claim adjustments performed directly by Prime.

Reasons for Audits

Several situations could trigger an audit. These situations include but are not limited to:

- Request or inquiry by a Benefit Sponsor, Covered Person or government agency Pharmacy billing history
- Pharmacy does not respond to Prime's requests for documentation.
- Prime identifies billing issues through the claim audits.
- Referral from Prime's FWA Hotline or other sources that indicate potential FWA
- Routine audit of pharmacies selected on a random basis

Audit Time Frame

Claims selected for audit through the daily claim audit process generally include prescriptions billed to Prime within the previous fourteen (14) days. Historical claim audits generally include prescriptions billed to Prime within the previous twelve (12) months. Standard onsite audits generally include prescriptions billed to Prime within the previous twenty-four (24) months. However, Prime has the right to audit and/or investigate claims for up to seven (7) years from the date of the Prescription Drug Service for commercial claims, and up to ten (10) years from the date of Prescription Drug Service for government program claims, or as otherwise permitted by law.

Types of Audit Activities

Daily and Historical Claim Audits

Prime monitors claims data to identify potential billing and compliance errors. When Prime identifies potential pharmacy errors shortly after adjudication, Prime contacts the Participating Pharmacy who is instructed to correct the claim. This process is intended to educate Participating Pharmacies on Prime's billing requirements and helps avoid retrospective audit recoveries. If the Participating Pharmacy does not respond to Prime's requests or fails to correct improperly billed claims, impacted claims may be resubmitted or reversed by Prime, in its sole discretion.

If a claim is identified for audit, Prime will contact the Participating Pharmacy via telephone, email or facsimile to inquire about the claim. Requested documentation may include, but is not limited to:

- Photocopies of the original prescription order, front and back
- Signature or delivery logs
- Receipts and other documentation showing the copay (if applicable) paid by the Covered Person or their representative
- Tracking number from delivery log, which must link to the prescription number and date of service that was delivered
- Computer records
- Wholesaler, manufacturer and/or return vendor invoices
- Pedigree invoices or documentation to confirm traceability of the medication from the manufacturer
- Compound information including all ingredients with NDC's and quantities used to prepare the compound claim
- Dispensing logs
- Bleed logs
- Prescription label
- Pharmacy and Pharmacist-in-Charge Liability Insurance
- Professional Insurance information

- Proof of FWA training
- License information
- Bill of Sale
- Documentation required as a standard industry practice to support appropriate dispensing of medications
- Attestation of compliance with specific state and/or federal statutes, regulation, or CMS guidance

If a Participating Pharmacy processes Long Term Care (LTC) Facility claims the following additional information may also be requested:

- Demographic information of any LTC facilities that were serviced by the Participating Pharmacy during the time frame of the audit and/or investigation
- Medication administration records of the Participating Pharmacy and/or the LTC Facility
- LTC Facility census information for the Covered Person during the audit and/or investigation that provides information on Medicare Part A stays

Prime will provide the Participating Pharmacy with a due date for submitting audit documentation. The Participating Pharmacy may either fax, mail or email copies of the requested documentation.

Government Programs Fax:

- 877.290.1516
- 866.466.7686

Commercial Fax:

- 877.825.7404
- 877.263.5543

Email: **pharmacyaudit@PrimeTherapeutics.com**

If you suspect FWA involving the Federal Employees Plan by a covered person, prescribing provider, participating pharmacy or anyone else, notify Prime:

Phone: **844.765.9990**

Email: **FEPreportfraud@PrimeTherapeutics.com**

Mailing Address:

Prime Therapeutics LLC
ATTN: Pharmacy Audit
P.O. Box 64812, St. Paul, MN 55164-0812

A Participating Pharmacy's failure to submit the requested documentation by the due date may result in:

- Full or partial recovery of the amount paid on impacted claims
- Escalation to an on-site audit
- Termination of the Pharmacy Participation Agreement

Late fees may apply if the Participating Pharmacy does not provide complete and timely documentation to missing or late audit documentation.

A Prime auditor will review the requested claims to verify that the claims have been submitted in compliance with the Pharmacy Participation Agreement and Prime Provider Manual. Participating Pharmacies will receive a claim adjustment report for those claims adjusted directly by Prime.

Onsite Audits

Participating Pharmacies selected for onsite audit may receive advanced written notice from Prime. Advance notice may not be provided at Prime's discretion, as allowed by law. If Participating Pharmacies cannot accommodate an onsite audit on the scheduled date and previous arrangements have not been agreed to by Prime, Prime reserves the right to assess a full recovery of any unverified claims.

Onsite audits are conducted during regular business hours. Prime makes reasonable efforts to minimize disruption to all areas of the Participating Pharmacy. Participating Pharmacies are expected to provide Prime with access to the pharmacy and the documentation to support the claims submitted during the audit period should be readily retrievable and accessible.

Participating Pharmacies are also expected to be adequately staffed during the audit and to have a representative (either pharmacist or technician) available to respond to questions and retrieve specific prescription hard copies and supporting documentation that may be needed. While onsite, the auditor will observe the Participating Pharmacy practices and review all related documentation. The auditor may request to observe the Pharmacy's dispensing practices, including review of prescriptions pending member pickup. An interview will be completed with pharmacy personnel, preferably with the Pharmacist-In-Charge (PIC).

Requested documentation may include, but is not limited to:

- Photocopies of the original prescription order, front and back
- Prescription label
- Signature or delivery logs
- Receipts and other documentation showing the copay (if applicable) paid by the Covered Person or their representative
- Tracking number from delivery log, which must link to the prescription number and date of service that was delivered
- Computer records
- Wholesaler, manufacturer and/or return vendor invoices
- Pedigree invoices or documentation to support wholesaler(s) purchases to confirm traceability of the medication from the manufacturer
- Compound information including all ingredients with NDC's and quantities used to prepare the compound claim Pharmacy and Pharmacist-in-Charge Liability Insurance
- Dispensing logs
- Bleed logs
- Professional insurance information License information
- Proof of annual FWA training
- Pharmacy Bill of Sale, if applicable
- Documentation required as a standard industry practice to support appropriate dispensing of medications
- Attestation of compliance with specific state and/or federal statutes, regulation, or CMS guidance

If a Participating Pharmacy processes Long Term Care (LTC) Facility claims the following additional information may also be requested:

- Demographic information of any LTC facilities that were serviced by the Participating Pharmacy during the time frame of the audit and/or investigation.
- Medication administration records of the Participating Pharmacy and/or the LTC Facility
- LTC Facility census information for the Covered Person during the audit and/or investigation that provides information on Medicare Part A stays.

Onsite audits will involve the disclosure of Covered Persons' Personal Health Information (PHI) for the purpose of disclosure of treatment, payment or health care operations. For Prime and the Participating Pharmacy to remain HIPAA compliant, a Pharmacy staff person is required to retrieve documentation; however, the auditor must be present to observe the documentation retrieval.

Participating Pharmacies may not refuse to comply with an onsite audit on the grounds that it violates HIPAA or other relevant privacy laws.

A Prime auditor will review the claims for accuracy and compliance with the Pharmacy Participation Agreement and this Manual.

Audit documentation, including prescriptions and supporting documentation, may be photographed or copies will be requested by the auditor as necessary.

When the audit is complete, the auditor will provide general feedback verbally while onsite at the Participating Pharmacy.

A Participating Pharmacy's failure to cooperate with an on-site audit may result in:

- Full or partial recovery of the amount paid for the related claims Termination of the Pharmacy Participation Agreement
- Other remedial action as determined by Prime

Reporting Onsite Audit Results

Following the onsite audit, Prime will provide the Participating Pharmacy with a written preliminary audit report, which will include details of any discrepancies or relevant audit findings, as required by applicable law.

Results include details of any issues of non-compliance with:

- Federal and state regulations
- The Pharmacy Participation Agreement
- Prime's Provider Manual
- Discrepancies between the original prescription order documentation available at the time of dispensing and the Participating Pharmacy's claim submission

The Participating Pharmacy will be provided a date by which any additional documentation supporting the claims may be provided to Prime by the Participating Pharmacy. Prime will review additional documentation received. A final audit report will be issued to the Participating Pharmacy after review of the additional documentation received or after the due date to provide additional documentation has passed.

Onsite Audit Appeal Process

Participating Pharmacies have thirty (30) days from the date of final audit report is issued by Prime to submit an appeal or an extended timeframe as required by law or regulation. Appeals must be submitted in writing and include the Participating Pharmacy's name, the claims/prescriptions being appealed, any additional documentation not provided at the time of audit and an explanation of the appeal. Please see the Pharmacy Audit Recovery Guidelines for post-audit documentation accepted by Prime. Audit findings, including associated recoveries, will be deemed finalized if an appeal is not received by the Participating Pharmacy within the thirty (30) days from the date of notification of the audit findings or an extended time frame as required by law or regulation. Documentation provided by the Participating Pharmacy as part of its audit appeal may result in additional findings. Appeal results are considered final. For a copy of Prime's Pharmacy Audit Appeal form and Prime's Audit Recovery Guidelines, visit **Prime's Website**.

Remediation Action

Prime may take remediation action against a Participating Pharmacy as a result of audit performance, including but not limited to termination of the Pharmacy Participation Agreement, as determined in Prime's sole discretion. Prime may also apply either full or partial recovery of the amount paid for a specific claim. Recovery amounts are noted in the preliminary and final audit reports.

A Participating Pharmacy may be immediately terminated form Prime's Pharmacy Network(s) upon Prime's receipt of any evidence of a Participating Pharmacy engaging in activities that may result in FWA.

Corrective Action Plan (CAP)

Participating Pharmacies may be placed on a corrective action plan, as determined by Prime in its sole discretion. Participating Pharmacies subject to a corrective action plan are monitored to determine whether the identified issues have been remediated. If issues are not resolved to the satisfaction of Prime, additional remedial action may be taken by Prime, as permitted by the Agreement. Failure to comply with the terms of the corrective action plan may result in termination of the Pharmacy Participation Agreement.

Pharmacy Investigations

Prime may conduct an investigation of any Participating Pharmacy when Prime suspects or identifies potential FWA. During an investigation Prime may request access to the Participating Pharmacy's facilities, personnel and any supporting documentation to support claims submitted to Prime during the investigative time frame. Participating Pharmacies may not receive notification in advance of an onsite investigation. Timing of communications and reports to the Participating Pharmacy may vary. Prime will issue applicable reporting to the Pharmacy throughout the investigative process. Prime reserves the right to terminate all pharmacies under the same ownership or control the results on an investigation.

Failure to comply with an investigation conducted by Prime may result in full recovery if any claims subject to review and/or termination from Prime's Pharmacy network(s), as determined in Prime's sole discretion.

Section 7: Medicaid Requirements

General Medicaid Program Inquiries

For general inquiries related to the Medicaid Programs please call:

- BCBSMN Blue Plus: **800.821.4795**
- BCBSIL Family Health Plan: **855.457.0173**
- BCBSIL Community ICP: **888.274.5218**
- BCBSNM Community Centennial: **855.699.0040**
- BCBSTX Children's Health Insurance Program (CHIP): **855.457.0403**
- BCBSTX State of Texas Access Reform (STAR): **855.457.0405**
- BCBSTX STAR Kids (Travis service area): **855.457.0757**
- BCBSTX STAR Kids (MRSA Central service area): **855.457.0758**

General Medicaid Requirements

Pharmacy Disclosure Statement

Participating Pharmacies who participate in Medicaid Programs must complete a Pharmacy Disclosure Statement to comply with federal and/or state regulations. Participating Pharmacies must complete Prime's Pharmacy Disclosure Statement when requested, and if there is any change in ownership, Participating Pharmacy must submit a new Pharmacy Disclosure Statement.

Illinois Medicaid Requirements

Automatic Refills

The use of automatic refills by Participating Pharmacies in Prime's Illinois Medicaid Network is not allowed. All Prescription Drug Services refills must be initiated by a request from the physician, Covered Person, or other person acting as an agent of the Covered Person, e.g., a family member. Any Prescription Drug Services with remaining authorized refills does not constitute a request to refill the prescription. The Illinois Department of Healthcare and Family Services (HFS) will not reimburse a Participating Pharmacy for any Prescription Drug Service that has been filled using an auto refill process. Any claim for a Prescription Drug Service filled without a request from the prescriber, Covered Person, or agent of the Covered Person will be subject to recovery. Claims for Prescription Drug Services that have been filled using auto refill and inadvertently billed to HFS must be reversed by the Participating Pharmacy.

Minnesota Medicaid Requirements

Automatic Refills

Minnesota Health Care Programs (MHCP) does not allow automatic refills for Medicaid members. The Participating Pharmacy may not contact the Covered Person to initiate a refill unless it is part of a good faith clinical effort to assess the Covered Person's medication regimen. Prescription refills are not eligible for payment without an explicit request from a Covered Person or authorized caregiver.

A Prescribing Provider or other authorized agent of a facility may initiate a request for refill for a Covered Person residing in a skilled nursing facility, group home, or assisted living arrangement.

Do Not Accept Cash Payment

As a general reminder, Participating Pharmacies may not accept a cash payment from a Covered Person or from someone paying on behalf of the Covered Person, for any MHCP Prescription Drug Service.

A Participating Pharmacy may accept a cash payment for a non-covered prescription drug provided that:

- The Covered Person is not enrolled in the restricted Covered Person program.
- All available covered alternatives have been reviewed with the Covered Person.
- The Participating Pharmacy obtains a Covered Person signature on the MHCP Acknowledgment form.
- The prescription is not a controlled substance (except phentermine in certain circumstances) tramadol or gabapentin.

A Participating Pharmacy may only accept a cash payment for a controlled substance, tramadol or gabapentin, if the Pharmacy has received authorization from MHCP to do so on the date of service. To be considered for a cash payment authorization, the Prescribing Provider must contact the MHCP help desk at **800.366.5411** and explain why the covered alternatives are not viable options for the Covered Person.

If a Covered Person's MHCP eligibility status is in question and the Covered Person offers a cash payment for Prescription Drug Services, the Participating Pharmacy must verify eligibility through Minnesota Information Technology Services (MN-ITS) or Eligibility Verification System (EVS). If the person does not have coverage through MHCP, a pharmacy can accept cash as payment.

Cash for Phentermine

Participating Pharmacies may accept cash for phentermine prescription drug claims as advised by the MHCP. Phentermine is not covered by Medical Assistance because weight loss drugs are excluded from coverage pursuant to Minnesota state law.

A Participating Pharmacy may accept cash payment for a phentermine prescription drug provided that:

- The phentermine prescription drug is being used as part of a comprehensive weight loss program and is prescribed at the FDA-approved dosage.
- The Prescription Drug Monitoring Program has been reviewed and determined that the phentermine prescription drug is not being abused or overused.
- The Covered Person has been informed about the responsibility for payment before the phentermine prescription drug was dispensed.
- The Participating Pharmacy or an authorized health care representative completes the **Advance Recipient Notice of Non-covered Prescription (DHS-3641) (PDF)** and the Covered Person signed the form.

For further information on Minnesota's Medicaid regulations:

- **Recipient Payment for Noncovered Prescriptions**
- **Pharmacy Services**

If you have questions regarding claims processing, please call Prime's Contact Center at **800.821.4795**.

For further information on Minnesota's Medicaid regulations, visit **Minnesota Department of Human Services**.

Prime Therapeutics LLC
P.O. Box 64812
St. Paul, MN 55164-9403
PrimeTherapeutics.com
800.821.4795

2792 © Prime Therapeutics LLC 02/18

08000394-G